

390040 UK PhD-VGSE Monetary Theory and Policy

Lecturer: Univ.-Prof. Dr. Gerhard Sorger

Contact: gerhard.sorger@univie.ac.at

Time and location: Tuesday 13:45-16:00 VGSE seminar room 1 (first floor). The units will take place on the following days: October 16, October 23, October 30, November 6, November 13, November 20, November 27, January 8, January 15, January 22.

ECTS points: This course counts for 5 ECTS points resp. 2 hours in the PhD program of the Vienna Graduate School of Economics (VGSE).

Prerequisites: Knowledge of macroeconomics, microeconomics, and mathematics as covered in the Master Program in Economics at the University of Vienna.

Contents: This course deals with selected topics in monetary theory and policy. Its primary goal is to make students familiar with several standard models of monetary economics and to show them how these models can be used to analyze issues in monetary policy. A tentative list of topics is as follows:

- Search theoretic models of money.
- The infinite-horizon model (money in the utility function, cash in advance constraints).
- Nominal rigidities (menu costs, staggered contracts).
- A basic New Keynesian model.
- Dynamic inconsistency of monetary policy (the basic problem and some of its solutions).

Bibliography: The course is based on selected chapters from various textbooks as well as on journal articles. Selected chapters from the following text books form the backbone for the course:

- *Monetary Policy, Inflation, and the Business Cycle*, J. Galí, Princeton University Press, 2008;
- *Money, Payments, and Liquidity*, E. Nosal & G. Rocheteau, MIT Press, 2011;
- *Monetary Theory and Policy*, 2nd ed., C. Walsh, MIT Press, 2003.

Further references will be provided during the course.

Assessment: Several homework exercises, one presentation, and a final oral exam.

Registration: Online registration via the registration software of the university. Students outside VGSE require permission from the speaker of VGSE to attend this course.

Website: homepage.univie.ac.at/gerhard.sorger/teaching.html